GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:198
ANSWERED ON:15.03.2002
WORKING GROUP ON CUSTOMS TARIFF STRUCTURE
ANANDRAO ADSUL

Will the Minister of FINANCE be pleased to state:

(a) whether the working group on customs tariff structure and anomalies had submitted its report to the Government recently;

(b) if so, the details of the suggestions made therein;

(c) whether the Government have considered these suggestions; and

(d) if so, the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N.RAMACHANDRAN)

(a) Yes, Sir.

(b) The Working Group has submitted its report. The Working Group has, inter alia, suggested a road map for achieving the peak rate of 20% by 2004-2005, starting with the budget for 2002-2003. After careful consideration of the Group`s report, it has been decided that, by the year 2004-05, there would be only two basic rates of customs duties, namely, 10% covering generally raw materials, intermediates and components and 20% covering generally final products. The existing rates would be adjusted and subsumed in these two basic rates with some exceptions on account of WTO bindings or higher tariff foragricultural products. In accordance with the road map, the peak rate has been reduced from 35% to 30% this year

(c) & (d) The observations of the Working Group were considered during the Budget exercise and have been appropriately adopted in the proposals contained in the Finance Bill, 2002. The peak rate of customs duty has been reduced to 30 per cent. in Budget 2002.